

# The Conference Board MANAGEMENT RECORD

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## Trends in Union Agreements

NEGOTIATIONS between representatives of company managements and union officers are constantly going on in all parts of the country as new agreements are entered into or as expiring contracts are reviewed before their life is extended. Consequently, if they followed a more or less uniform pattern, the contents of these contracts should indicate trends in management-union understandings with regard to working conditions. Actually, however, with the exception of certain relatively standard provisions, these contracts vary widely, each probably reflecting local conditions and the negotiating strength and ability of the company and union representatives involved. Unless a very large number of contracts is examined, it is not possible to say with any finality what are the most generally prevailing provisions, but a fair sample drawn from many industries and unions should indicate something of the more usual practices, as well as suggesting significant features that are beginning to make their appearance in contracts.

THE CONFERENCE BOARD obtained permission from 116 companies to include their union contracts in a sample group to be analyzed. In this group of 116 contracts were 51 with A.F.L. unions, 43 with C.I.O. unions, and 22 with unaffiliated or independent unions. The A.F.L. contracts included agreements with 27 different unions, and 16 unions were represented in the C.I.O. agreements, which, with the 22 independent unions, make a total of 65 different labor organizations represented in the analysis. The frequency of appearance of some of the more significant features of these agreements is shown in the accompanying tabular statement.

### GENERAL PROVISIONS

Questions of union jurisdiction seem to counsel the need for rather definite specification of the groups of employees covered by a union contract. Nearly all of those examined stated definitely whether the agreement

applied only to members of the union or to all eligible employees. The matter of eligibility for union membership is also covered in considerable detail in many contracts. To avoid future misunderstandings, certain types of employees are definitely excluded. In about 60% of the contracts analyzed, foremen were held to be ineligible. Salaried and executive personnel, time-study men, and-watchmen were other groups frequently ruled out, while less frequently such employees as salesmen, technical and professional men, guards, inspectors, confidential employees and workers in other unionized crafts were specifically excluded.

The closed or union shop is hardly more prevalent in this group of contracts than in another group covering other companies analyzed in 1939. At that time 34 of the 114 agreements included provided that all employees must be or become union members. In the present lot of 116 agreements, 36 contained this provision. Six contracts in the present group provide for a check-off of union dues, and two others make this permissible if requested individually by employees. In some other cases a permissive check-off might be assumed.

A greater proportion of agreements in the present study include a clear statement that there shall be neither strikes nor lockouts during the life of the agreement but that all disputed points shall be settled by peaceful means without interruption of production. There are 54 such commitments in this study as against 43 in 1939.

### COMPENSATION

Actual wage or salary scales in one form or another seem to be appearing more frequently in union contracts. Sometimes only minimum rates for basic or typical occupations are set down, but in some cases a rather extensive schedule of compensation rates is made a part of the contract. Also, it is quite common to specify what payment employees are entitled to in case of machine breakdown or if they report for work

when they have not been instructed to the contrary and there is no work for them to do.

Overtime pay arrangements constitute an important section in most contracts. Of course, the Fair Labor Standards Act now provides that all work in excess of 40 hours per week must be paid for at least at the rate of time and a half, but many contracts go further and specify what shall be the rate of pay in case work is necessary on Sundays or holidays. The practice of paying double time on such occasions seems to be increasing, except in continuous process industries where Sunday and holiday work may be a necessary feature of operation. In such instances straight time is usually paid unless a total of 40 hours per week is exceeded.

This matter of double time for Sunday work seems to be one that will need reconsideration if defense production requirements make Sunday operation of plants necessary. It seems likely that a 5-day work schedule but a 7-day plant operating schedule with overlapping shifts will become more common as effort to secure maximum output is intensified. The punitive feature

of double-time rates will no longer be justified, and with Sunday work equally distributed over a period of time it will not bear heavily on any particular group or shift of employees. Double compensation on a particular day merely because a Sunday occurs in a worker's 5- or 6-day tour of duty seems unjustified, particularly when wages already are high.

The practice of granting paid vacations continues to grow and existing plans are liberalized both as to eligibility and length of vacations. Recognized holidays are specified more frequently in contracts. This is important when double time is paid for holiday work in order that there may be no misunderstanding when such rates are in effect. Independence Day and Christmas are the most widely recognized holidays, with Labor Day next and then Decoration Day and Thanksgiving.

### MILITARY SERVICE PROVISIONS

New conditions are reflected in some contracts by including in them the provisions of the Selective Service

### CONDENSED ANALYSIS OF LEADING PREVIEWS OF 116 UNION CONTRACTS

	Total	A.F.L.	C.I.O.	Independent		Total	A.F.L.	C.I.O.	Independent
NUMBER OF CONTRACTS ANALYZED...	116	51	43	22					
Agreement covers									
Only members of union.....	32	13	17	2					
All eligible employees.....	71	22	37	12					
Employees not eligible for membership									
Supervisory employees.....	68	22	34	12					
Salaried employees.....	57	16	32	9					
Executive employees.....	41	20	17	4					
Time-study men.....	8	3	5	..					
Watchmen.....	20	9	13	4					
Company not to discriminate against union members.....	70	29	31	10					
Unions not to coerce or intimidate in seeking members.....	47	17	26	4					
Closed or union shop.....	36	23	11	2					
Check-off									
Specified.....	6	..	5	1					
Optional with employees.....	2	1	1	..					
Preferential hiring agreement.....	10	6	2	2					
Union may transact business on company premises.....	14	6	7	1					
No strikes or lockouts during life of agreement.....	54	35	12	7					
Wage provisions									
Minimum scales established.....	52	29	20	3					
General wage scales established.....	20	8	9	3					
Payment when machine breaks down or when reporting for work and no work									
1 hour's pay.....	2	..	1	1					
2 hour's pay.....	30	9	12	9					
3 hour's pay.....	5	4	1	..					
4 hour's pay (or half day).....	26	13	10	3					
Extra pay on late shifts									
10% additional.....	3	2	1	..					
10% on second; 10-15% on third.....	2	1	..	1					
5% additional.....	3	..	1	2					
5 cents additional.....	8	1	6b	1					
3 cents additional.....	1	..	1	..					
2 cents on 3rd shift.....	1	..	1	..					

<sup>a</sup>Employees also specifically excluded in some cases include: salesmen; chemists; engineers; draftsmen; research, professional and technical men; medical employees

and nurses; time keepers; guards; inspectors; confidential employees; those in other unionized crafts. <sup>b</sup>One company—8 cents on 3d shift.

Act assuring reemployment of employees withdrawn from their jobs for a year's military training. There is some variation from the strict requirements of the law in these provisions in that the law provides that a drafted man must apply for reemployment within 40 days of the completion of his training if he expects to resume his job and his seniority. In some union contracts this time limit is extended to 60 days, 90 days, and, in one case, to 6 months. Moreover, the draftee's seniority status is clarified by stating that he will not lose seniority formerly accumulated but that time spent in military training will be added to his seniority. In four of the contracts examined the company undertook to pay the group life insurance premiums of employees while in training under the Selective Service Act.

#### GRIEVANCE PROCEDURE

Nearly all the contracts set forth a definite procedure to be followed in the adjudication of grievances. In general, the methods prescribed seem to follow one of three approaches to the problem. Some try to settle the matter without recourse to union negotiations, if possible, by encouraging the man with a grievance to seek first a satisfactory settlement directly with his immediate superior. Some bring the union into the controversy at the outset by providing that a grievance be taken up in the first instance with the union committeeman or steward. The third general procedure is to introduce the principle of mediation at an early stage by having the grievance referred to a joint or conference committee, usually made up of an equal number of management and union representatives. Individual differences in grievance procedure are so numerous that it is impossible to classify their sequence of stages under a few headings.

#### INTERESTING CONTRACT PROVISIONS

A few sections of union contracts are quoted below because they deal with matters that are frequently discussed and indicate how these points have been settled in certain instances. First is the matter of standards and time studies.

##### *Standards and Time Studies*

Unions are taking increasing interest in this whole question on the ground that earnings and working conditions are closely tied up with the standards that control earning power. Employers, while recognizing this interest, and the ground for it, feel that management must have the final decision in such matters since the operating efficiency of the company, and, therefore, management's responsibility to the owner, are involved. Below are given excerpts from two union contracts, the first from an A.F.L. union and the second from one affiliated with the C.I.O.

Employees shall have the right to question the time study of any job that may appear to be improperly timed,

even to the extent of asking for re-timing of any job. The company shall have the right to re-time any job when changes in material, design of product, tool or tools, equipment or sequence of operations have been made.

\* \* \*

Piece work rates hereafter will be adjusted or time studied wherever possible to the end that any inequalities arising from mistakes, changed conditions of the job, changed designs, or similar reasons, be removed and corrected, and that a proportionate relation be established between rates set for operations and parts that are substantially similar.

In the interest of maintaining fair piece-work rates and encouraging employees to disclose erroneous piece-work rates, the company agrees that, except for changes justified under the foregoing paragraph, it will not cut any rate established and based on its standard earning rate for the operation involved or question the correctness of such rate even though the employee is able to turn in as much as 20% over the standard earning rate. The company, however, reserves the right to question rates where earnings exceed 20% over standard earning rates.

On any job that should normally be done on piece work and where the piece rate has not been established an estimated rate shall be given which will be designed to yield the adjusted standard high earning rate for that particular occupation.

##### *Rating Employees*

Application of seniority regulations has stimulated interest in scientific plans for rating employees because only through some such device can the superiority of one employee over another be established for purposes of determining whether one man's ability is sufficiently high to give him preference over another with greater seniority when lay-offs are made. So far as has been observed, unions for the most part do not object to rating plans when satisfied that they are conducted impartially and do not in any way discriminate against union employees. Here is a section of a union contract specifically providing for employee rating:

(a) Ratings shall be made for all employees, and in the following manner: four times a year, and in alphabetical rotation, every employee, except as provided in subdivision (c) of this paragraph, shall be rated on the rating sheet annexed hereto and made a part hereof, by his or her departmental foreman and shop steward acting jointly and with equal power.

(b) The rating so established may be reconsidered and re-set by the works manager or his agent, and the president of the union, or his agent, acting together and with equal power; said reconsideration to be held on the motion of either the president of the union or the works manager, or their agents, if made within two weeks of the date of the rating to which exception is taken. Their determination shall be final, but all employees shall have reasonable access to their own rating sheets.

(c) It is provided further that the officers of the union, not exceeding eight in number, and the shop stewards of

the union, not exceeding 18 in number, shall be exempt from rating and from seniority rules and shall possess job priority over all other employees.

#### *Jurisdictional Strikes Forbidden*

Jurisdictional strikes have caused much loss to industry and to wage earners. Probably neither A.F.L. nor C.I.O. is willing to commit itself not to resist what may seem to be intrusion by the other. But in the section quoted below an A.F.L. union agrees that there shall be no jurisdictional difficulties within its own federation.

The American Federation of Labor agrees that there shall be no jurisdictional disputes with regard to the employees of the company who are members of the American Federation of Labor or any of its affiliated unions, and that the company shall be required to deal only with the . . . . union, No. . . ., affiliated with the American Federation of Labor, or with the American Federation of Labor itself, as respects all matters covered by this agreement. Provided, however, that the company agrees that all of its employees who are in a classification, which, but for this agreement, would be represented by some local union affiliated with the American Federation of Labor, other than the . . . . union, No. . . ., shall be paid the same rate of pay as would apply to such employees under the prevailing terms of local agreements which may be in effect with such other union in that particular locality for that specific classification of work. Provided further, that any employee of the company shall have the right to join any organization affiliated with the American Federation of Labor holding jurisdiction over his particular classification of work, but the American Federation of Labor and its affiliated union agree that such membership shall not change or violate any of the terms of this agreement.

#### *Boycotting*

Various pressures have been applied by unions to persuade employers to meet their demands. One of these is to affect the sale of a company's products by securing the agreement of other workers by whom the product must be used or sold to refuse to handle it. The following section forbids the use of such pressure in this company:

The union and the employees agree that they will not, at any time during the life of this agreement, either directly or indirectly, interfere with or prevent the employer from purchasing or otherwise obtaining merchandise or any service requirements which it may desire from any source whatsoever because of the employment by the said source of non-union employees, and the union and the employees further agree that they will not refuse to handle, deliver, or perform any other duties upon such merchandise which may be so obtained.

#### *Technological Displacement*

A social and economic problem that has given employers and unions concern is the effect of technological

improvements on opportunities for employment. This is a particularly serious problem in some of the older industries in which further expansion is unlikely so that opportunities for absorbing displaced workers in other occupations are limited. A rather extended section in a contract in the textile industry makes definite provision for such a situation:

The Employer will pay separation allowances to employees displaced by technological changes upon the following terms and conditions:

A. The following provisions shall apply only to employees who were scheduled for work in the plant, or on vacation or leave week ending August 6, 1939, and those other employees who thereafter actually work in the plant.

#### **DEFINITION**

B. Any employee shall be considered displaced by technological change when his job is discontinued because of

(a) Changes in plant or equipment, or

(b) Changes in process operations either of which causes the particular job to be permanently abolished.

C. Displacement by technological changes shall not mean or include any jobs temporarily discontinued because of trade conditions such as lack of demand for any of the products the Employer may have been at any time manufacturing. That is, abolition or discontinuance of a job due to technological change shall not be confused with furloughs brought about in normal manners because production of any kind or variety of any product by any department or section of the plant is not required by the Employer at the time for the purpose of sale, use or inventory.

D. Should displacements be made because of change in plant or equipment or process operations in any department or section, a worker so displaced shall be given the option for three days of becoming a displaced employee with the benefits provided under the terms of this agreement or being transferred according to seniority to the furlough list. The list then as standing for the whole year previous shall be scrutinized and the same number of employees on the bottom of such list as the number which were transferred to that list through displacement shall be dealt with as displaced employees under the terms of this agreement.

E. All displacements shall be in accordance with seniority.

F. A preferential list at . . . . only shall be established for workers of more than two years' service who may have been displaced and such displaced workers shall have the privilege for a period of sixty days of deciding to take the separation allowance as provided in this agreement or accepting a place on the preferential list in accordance with his seniority for future employment on a job suitable in the Company's opinion.

## FUND FOR SEPARATION ALLOWANCES

G. In case of discontinuance of jobs by reason of technological changes as defined above, the Employer will make the following provisions for employees so affected:

It will establish a fund in a total not exceeding two hundred and fifty thousand dollars (\$250,000). This fund will be set up by allocating not more than two per cent (2%) of the Company's net profit for any year. In years in which there is a total of \$250,000 in the fund, no percentage of profits will be allocated to it but in years in which the fund does not reach or falls below \$250,000, said total amount shall be restored in the following year by allocation of two per cent (2%) of the profits for that year until it again reaches a total of \$250,000. Should the Company decide to make changes involving separation allowances in a total amount greater than the amount in the fund at the time, it shall supply the additional amounts from other funds of the Company.

H. If an employee displaced by technological change chooses to take separation allowance and thereafter is re-employed at another job by the Employer, he shall be re-employed as a new employee without credit for previous seniority or service.

## AMOUNTS OF SEPARATION ALLOWANCES

I. Separation allowance will be paid from the funds above mentioned or other funds of the Company to employees displaced by technological changes as follows:

Service	Pay
2-3 years.....	2 weeks
3-4 years.....	3 weeks
4-5 years.....	4 weeks
5-6 years.....	5 weeks
6-7 years.....	6 weeks
7-8 years.....	7 weeks
8-9 years.....	8 weeks
9-10 years.....	9 weeks
10-11 years.....	10 weeks
11-12 years.....	11 weeks
12-13 years.....	12 weeks
13-14 years.....	13 weeks
14-15 years.....	14 weeks
15 years and over.....	15 weeks

J. Separation allowance shall be due and payable to the displaced worker immediately upon separation, or, if furloughed employees under the provisions of Paragraphs D and F are involved, upon notice of separation.

HAROLD F. BROWNE  
Management Research Division

## Stretching the Supervisory Force by Specialization

THE NUMBER of wage earners in a metal-working company recently was increased from about 900 to over 2,000. Early in this process it became evident that the supervisory force was becoming overburdened. Reluctant to embark on a foreman-training program, and unable to hire already trained supervisors from outside, the management decided to analyze the work performed by its present foremen to see if time was being spent on details which could be delegated to non-supervisory employees.

It was discovered that in those departments in which the number of employees had increased most, a little over fifty per cent of the foremen's time was being devoted to following through orders to check on delays, and to recording such information about each lot processed as the customer's order number, the size and the finish. The appointment of non-supervisory expediters relieved the foremen of the first task; the clerical duties were delegated to checkers. In consequence, although the production load in these departments increased well over 100 per cent, it so far has proved unnecessary to train any new foremen.

Experiences such as this, and they are of rather frequent occurrence, show the value of critically analyzing supervisory jobs with an eye toward their specialization before considering it essential to remedy shortages through training or through hiring men from outside.

Even in those concerns which study their production operations most carefully, it is not unusual to find that little attention is being directed toward the "engineering" of supervisory functions. Many foremen are doing essentially the same tasks today that they did a few years ago, when production was low and skilled supervisory talent was relatively plentiful.

## ANALYZING THE SUPERVISOR'S JOB

The first step in specializing any job is to analyze it. It appears to make little difference whether analyses of supervisory jobs are made by the foremen themselves, by staff men, or by top supervision, so long as each work element is identified objectively and so long as the duties involved, the time expended, and the qualifications required for its performance are described. If there is an open-minded, critical approach, there is little doubt that improvement can be made.

## What Supervisory Duties Cannot Be Delegated?

Assuming the desirability of specializing supervisory jobs so that an existing group of foremen will be able to handle increased numbers of men, which are the functions that have been shown by experience to compose the essential elements of the foreman's job? In other words, which are the duties that should not be delegated to non-supervisory employees? An answer cannot be categorical. In every company the number of employ-

ees, organizational structure, work performed and personalities and philosophies differ, creating unique needs and necessitating unique solutions. A blind acceptance of procedures which have been successful in one set of circumstances may, under other conditions, produce valuable results, but just as possibly may result in complete failure.

As the recent history of labor relations has shown, workers are likely to be antagonistic to the company and to believe that they have few interests in common with it unless they are convinced that management is interested in them as individuals, that their problems are understood and appreciated and that their interests are being vigorously, justly and competently advanced. It is human nature for men to judge their company, which to them is personified by their foremen, by the understanding and fairness with which personal problems, complaints and grievances are handled by him. Only through first-hand knowledge of his employees' problems and personalities can a foreman understand their point of view. Accordingly, it seems logical to consider the handling of grievances and the making of other informal and formal personal contacts with workers as one of the duties that should not and cannot be delegated by a foreman to others.

The interpretation of management to men naturally requires an understanding of the points of view of both parties. A foreman who personally is respected and trusted by his subordinates but who himself does not believe in, respect and understand the policies and practices of the organization may be likened to a control cable which is attached to a machine, but not to the controls. It is just as essential that a foreman be in as close touch with his superiors as it is that workmen be in close touch with him. The maintenance of these contacts can be considered a second supervisory duty which should not be delegated.

Many persons believe that a third essential duty should be the making of contacts with his fellow foremen. Through these a foreman is able to learn about and, consequently, take advantage of their trials and errors. He is afforded an opportunity to obtain the reactions to his own thinking and problems of men whom he respects as equals. The more he knows of the func-

tions of and the reasons for other departments, the more accurate is his understanding of his own unit likely to be. It seems apparent that contacts with fellow foremen should not be delegated.

#### *What Duties Can Be Delegated?*

It is not presumed, in this article, to make any listing of supervisory duties which can be delegated in an "average" situation. A few of the supervisory duties which most commonly have been and are being delegated to non-supervisory or staff men are, however: Instructing new workers; keeping time, production and other records; expediting; inspecting; making set-ups and machine adjustments; estimating labor costs; and estimating and planning production schedules.

It is unusual to find any concern in which as many of these have been delegated as is possible. Analyses invariably have disclosed that foremen were spending an appreciable portion of their time on some one or more of them. Time so spent is time which could be saved. In a small organization, for example, it might be desirable to assign one part-time expeditor or checker or job instructor to three or four foremen. In a large department, as many as two or three full-time assistants might be appointed for a single foreman.

#### CONCLUSION

It has been said that the success of any enterprise ultimately depends on the extent to which it is able to utilize the capacities of its employees. The greatest success has been achieved where members of the supervisory force have had time for creative, as opposed to routine, thinking. The more a foreman delegates duties to others, the more time he can devote to essentials. The more time he can devote to essentials, the more workers he can supervise, and the better the quality of his supervision is likely to be. And, when the present emergency is over, concerns which have "specialized" their supervisors in all probability will be able to return to normalcy more easily than those which have on their hands an inflated supervisory force.

J. H. T. KIDDER

*Management Research Division*

## Foremen as Representatives of Their Company in the Community

FOR MANY industrial concerns, the expansion of existing plants or the opening of new plants has necessitated the appointment of many new foremen. One of the problems connected with the training of these men has been the molding of their attitudes toward the community in which they live.

It long has been accepted generally that what a workman does off the job, on his own time, is his own busi-

ness. When a company elevates a man to the status of supervision, however, it raises his status not only on the job, but in the community as well. His friends and acquaintances are likely to look up to him, and his activities take on a somewhat different aspect from those of a worker in the ranks. In some indefinable way, he becomes a representative of the company, which cannot help but be judged to a certain extent by

his conduct. Most executives accordingly recognize the need of insuring that their foremen be aware of the importance attached to community activities. In this connection, the president of a large concern, the public relations of which have been excellent, recently said:

The foreman is far more influential in the industrial community than he himself perhaps realizes. What the foreman says to his men and to the citizens has, no doubt, more effect on the progress of a company than speeches by the president to the Chamber of Commerce or to the National Association of Manufactures.

In one expanding organization located in a small town, the question of the foreman's off-the-job relationship with the community is considered to be of sufficient importance to warrant its inclusion in a very limited list of "essential subjects" which are taught all new supervisors. In the course, information is imparted by means of lectures followed by discussion. Reproduced below is a portion of a written summary distributed to foreman trainees after the meeting devoted to the subject of "The relationship of the foreman to the community." The community name is fictitious.

*The School.* It is a fact that Centertown has a fine school. Its teachers are well trained and are interested in our children in a way that you do not find in larger communities. The facilities at the school—the classrooms, the cafeteria—are of the best. Praise the school. The citizens like to hear it. Tell them how well the bus driver takes care of your children going to and from school.

*Centertown's Location.* It is a fact that Centertown is well located. Mention the fact at favorable opportunities. There are fine fishing and hunting facilities. You won't be telling the citizens anything they don't know when you talk about these things, but you will impress upon them that you like and appreciate what they have to offer in the community.

*Avoid odious comparisons* between other locations where you have lived and Centertown. For example, if the country around here is flat and you came from a hilly country, explain it as a personal weakness that you were not able to appreciate the beauties of this type of terrain.

*Have respect for local traditions* and lean over backward in your favorable acceptance of them before attempting to mold to a new pattern.

*Participate in civic enterprises.* If you take part in civic enterprises—schools, churches, sports, recreational and health facilities—you are helping yourself, the community and your company. You don't have to be a leader in these enterprises. In fact, it might be better if you adopted the attitude of a willing wheel horse, driven by local leaders. The impression of company domination in any local enterprises must be avoided, but we cannot and should not remain aloof from them.

*Learn local interests and enthusiasms.* Get as much information as possible on local personalities. You will enjoy your discussions and conversations more. Avoid local broils that are perhaps rooted in age-old family, district, political or religious antagonisms.

*Follow current events.* Read the personal columns of the local papers. Be informed about the local news, but be careful in handling local prejudices—civic, religious and political.

*Know the city administration.* Become acquainted with the city councilmen and the mayor. Learn the political background of the community before sticking your neck out on your own political affiliations. Learn what the city fathers are trying to do to help the community and give them your support when you can.

*Avoid idle gossip and conjecture* about company plans. Your remarks are likely to receive disproportionate attention. Remember always the confidential nature of company business and plans and don't let yourself be drawn into unfavorable opinions about company business. It is a small community. The interrelations are close and party lines are common. Squelch rumors gently. Correct false impressions that are perhaps current in local groups. Don't stick your neck out in unthinking defense. Under these circumstances, there is a need for tactful presentation of facts as you know them.

*Personal conduct* should be above reproach. Don't kick over the bucket. There are certain dangers in non-conformity to local standards of excellence in dress and behavior.

*Maintain your home surroundings* in good condition. Keep your lawn and garden looking good. Carry your good housekeeping training to your community.

*Maintain your credit.* Your personal honesty must be above reproach. It is important that you do not undertake obligations you cannot meet, but having undertaken them you must not default on them.

J. H. T. K.

## Notes on Personnel Administration

### Incentives in Apprentice Training

A problem commonly faced by men responsible for conducting apprenticeship courses is how to establish an incentive which will encourage apprentices to put forward their best effort, not merely to "get by." One solution which has proved effective in a large metal-working company whose employees are unionized, is as follows: The normal hourly rates of both mechanical-trades apprentices and drafting apprentices are automatically raised every six months during their 4-year

apprenticeship. The former begin at 49¢ an hour, and by the end of their course are receiving 84¢; the latter begin at 51¢, and finish their apprenticeship at 89¢.

Apprentices are graded on both classroom and shop work (the relative weights of which are 1 to 2) and are assigned either "A," "B," or "C" rankings. An apprentice whose grade for a year is "B" receives a 2-week time credit—i.e. completes that year's training in 50 rather than 52 weeks. His rate thus is adjusted upward 2 weeks sooner than if he had a "C" grade. A

man with an "A" ranking receives a 6-weeks time credit for each year during which he earns an "A" ranking.

Upon completion of the apprenticeship course, each man's starting wage varies with the 4-year average of his rankings. A graduate apprentice in the mechanical trades whose 4-year average has been "C" receives a wage of 87¢; a man with a 4-year average of "B," 91¢; a man with a 4-year average of "A," 97¢. Draftsmen apprentice graduates whose 4-year average has been "A" receive a starting wage of \$1.02; "B," 96¢, and "C," 92¢. During recent years, about 60% of all apprentices have received a grade of "B," about 20% have received "C," and 20% "A."

#### Revised Pension Plans

Within the past month E. I. du Pont de Nemours and Company and the Bethlehem Steel Corporation have both announced changes in the provisions of their self-administered non-contributory pension plans. These revisions have been made to bring the plans in line with the old-age benefit provisions of the Social Security Act.

#### Problems of Draft Officials

Personnel executives will have a fellow feeling for local draft board members and higher appeal officials who are encountering some of the odd quirks of human relations that are an old story to men in industry. The following letters received by the New York State Selective Service Headquarters and reported in the *New York Herald Tribune* illustrate rather humorously how selective service requirements and responsibilities are regarded by some.

I am secretly married because my mother-in-law hates me. I have been classified as I-A and have a very low order number. If I keep my marriage secret I will have to go to camp. If I announce my marriage I will have the old lady after me. What do you advise?

\* \* \*

I am a professional model, a perfect 36. From the reports of how inductees are gaining weight, I know I will lose my figure and be unable to get a job when my year is over.

\* \* \*

An anxious mother wrote:

My boy should be deferred as he faints at the sight of blood. He nearly had a convulsion during the battle scenes in 'Gone With The Wind'. P. S. It was in technicolor.

\* \* \*

A young woman wants very much to find a young man named Smith. She wrote:

Please help me find my boyfriend. I haven't seen him in two years. He has curly hair and blue eyes and is very handsome. He told me his name was Smith. Please send me the address of all the local boards and Army camps in the country so I can write and ask them.

\* \* \*

I would volunteer except that I am puzzled about the laundry. Does the Federal Government pay the bill or do I out of my Army pay? Also, I am a sleep walker and

I am told this is a federal offense. I don't want to be in the guardhouse if there is a war going on.

\* \* \*

After four months of Army life and sober reflection I have decided that I cannot support my wife in the manner to which she has become accustomed on my Army pay of \$21 a month. Kindly consider this my resignation from the armed forces.

#### Handling Requisitions for Labor

A recurring problem with some executives is the fixing of responsibility for production delays attributable to shortages of labor. Most persons in a responsible position who have inquired into poor quality or quantity of work have been told at one time or another by line supervision that it was not their fault; that they could not get the men. Upon questioning the employment department, these investigators are more than likely to have been informed that all requisitions for labor have been filled when promised.

The method adopted by one company to remedy this situation and definitely fix the responsibility for any labor shortage appears to be both simple and effective. Every employment requisition is filled out in duplicate by line supervision, and states the specific date, shift, and hour when a man will be wanted. The employment supervisor notes on the requisition the exact time when the man will be "delivered," and returns the duplicate copy to the line supervisor. If the time noted by the employment supervisor is satisfactory, the matter is settled; if it is unsatisfactory, it is the supervisor's responsibility to communicate with the employment department, and try to make a satisfactory arrangement. If it is impossible to get the men when wanted, the line supervisor is able to take the matter up with his superiors, and to make necessary adjustments in his schedule. If, as happens in some departments of the company using this method, it is desirable that the works manager check on employment requisitions to prevent overhiring, it is easy to arrange that they be routed to him.

The notations and initials of the line supervisor and the employment manager on the requisitions serve as a permanent record in case of question. Each is protected against false accusation, and data for impartial executive action are made available.

#### New Pension Plans

Two companies have recently adopted annuity plans for employees earning more than \$3,000 per year. The plan of Mack Trucks, Inc., is underwritten by an insurance company and is of the money-purchase type. The plan of the Kennecott Copper Corporation, which requires compulsory membership for future employees, is administered by a Retirement Committee elected by the Board of Directors. Employee contributions, which are matched by the company, are deposited in a trustee fund.

### Financing Pensions Under a Union Agreement

In order to increase the work opportunities for younger men, the New York Electrical Contractors Association and the International Brotherhood of Electrical Workers closed a contract on December 13 to provide pensions for the members between the ages of sixty and sixty-five.

As part of the agreement, the employers are required to increase the wages of Class A apprentices 15 cents per hour. The apprentices in turn are obligated by the union to pay into a fund an amount equivalent to this increase to finance the pension benefits and the cost of administration. These payments are the sole source of revenue for providing pensions, and if the number of apprentices should drop below 150, the agreement would cease to operate.

Upon attainment of age sixty, a Class A journeyman who has been a member of the union in good standing for five years may apply for a pension of \$40 per month, provided he affirms his desire to retire from the industry permanently. Final approval of the pension rests with the joint pension committee. The pension benefit ceases when the retired union member reaches age sixty-five, at which time he is eligible for the union's own pension system, which pays \$42 a month.

### Winter Vacations in Mercantile Field

Aware that the strenuousness of pre-Christmas activity may have a permanent effect upon the individual efficiency of their employees, several department stores in the East have adopted paid winter vacation plans in addition to the usual summer plans. Thus, physical and mental recreation after several weeks of nerve-wracking activity gives the workers opportunities to relax from the strain of their work.

First announced four years ago by stores in New York, the plan is spreading slowly throughout the country in the retail field. Several stores allow winter vacations for executives only. For regular rank and file employees the plans are fewer, and range from allowances for one day to one week in the period between

Christmas and March first. One store's policy for all employee's regardless of rank, is shown below in comparison to its summer allowances:

Service	Winter	Summer
2 Years or more.....	6 days	12 days
1-2 Years.....	3 days	6 days
6 Months to 1 Year.....	1 day	3 days

Other plans are not so liberal, in some cases allowing one to six days after periods of service ranging from five to twenty years.

### Pension Payments

During the eighteen-year period ending December 31, 1940, the Bethlehem Steel Corporation has paid out \$11,572,056 in pensions to its retired workers. Since 1923 to the present, 4,085 employees have been retired under the company's pension plan, while 2,374 pensions have been terminated. During 1940, the total disbursements for pensions were \$821,800. In addition, the company paid Social Security and Unemployment Compensation taxes of \$8,156,000, or a total expenditure during 1940 of more than \$8,977,000 for the care of the aged and the relief of the unemployed.

### Liberalized Sickness Benefits

The Humble Oil and Refining Company on January 1 announced a more liberal sickness-benefit program. One of the changes concerns hourly-paid employees who previously were not eligible for full-pay benefits until completion of three years' service. Under the plan approved, which is funded by the company, wage earners with one year's service are now eligible for full-pay sickness benefits for one month. Full-pay benefits have been extended to a maximum of eight weeks for employees with five years' service and to twelve weeks for workers with ten or more years' service. After these full-pay benefits are exhausted, the workers continue to receive half pay according to a schedule contained in the previous plan.

(Continued on page 51)

## Chronology of Events Affecting Labor Relations

### March 11 to April 10

#### March

12 *New Steel Pact Requested*—S.W.O.C. serves notice on United States Steel Corporation that revisions in present contract are desired. This action automatically voids contract on April 1.

*Labor Ballots Mailed to Draftees*—In first case of its kind in New York State, ballots in connection with a collective bargaining election are mailed to 22 A. & P. employees now in military camps. Necessity for such

action is cited as the need to protect rights of employees called for duty with the armed forces.

13 *Skilled Labor Registration*—Federal Security Administrator calls for national registration of all unemployed workers who may be available for work or for training in defense jobs. Registration to be conducted through federal-state employment offices throughout the country.

(Continued on page 52)

## A Glance at Labor Statistics

**Average hourly earnings** of all wage earners in twenty-five manufacturing industries increased from 75.9¢ in January to 76.4¢ in February, 1941. In February, 1940, the corresponding figure was 72.8¢, indicating a 4.9% advance in 12 months.

**Average weekly earnings** of all wage earners rose from \$30.61 in January to \$31.41 in February, an increase of 13.8% over that of \$27.61 for February, 1940.

**Employment** rose moderately from an index of 109.1 in January to 110.3 in February. This constitutes an increase of 14.9% since February, 1940.

**Average hours of work per week** rose from 40.2 in January to 41.0 in February, as compared with 38.0 in February, 1940.

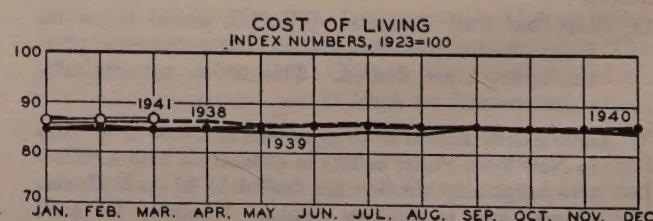
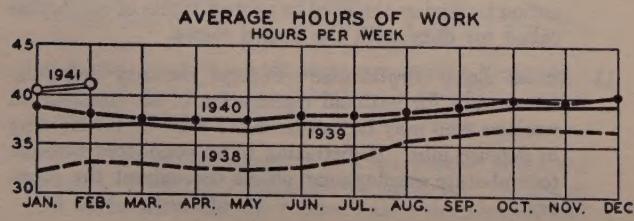
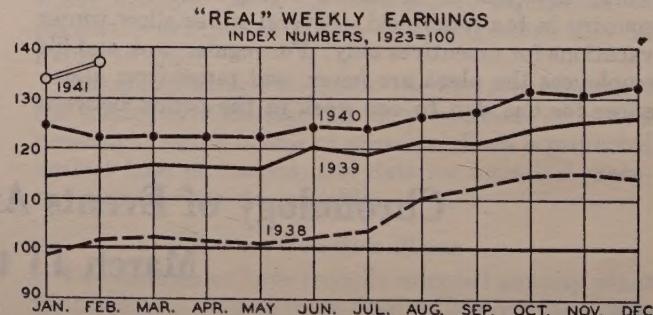
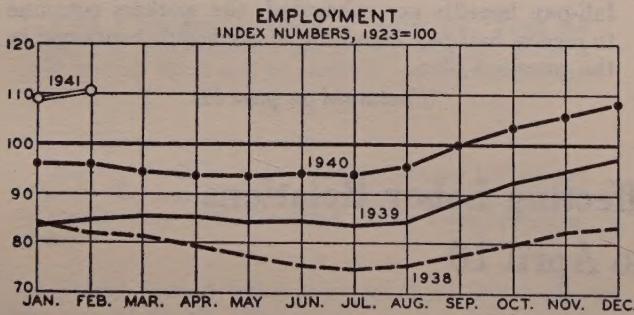
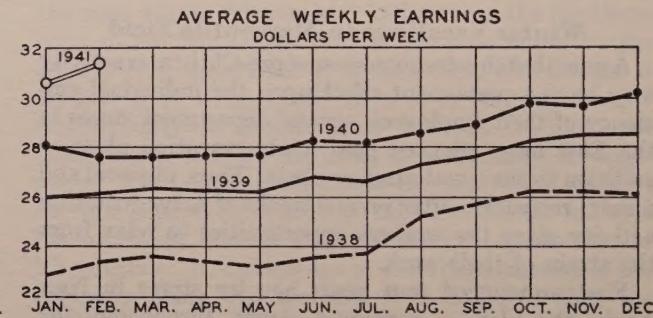
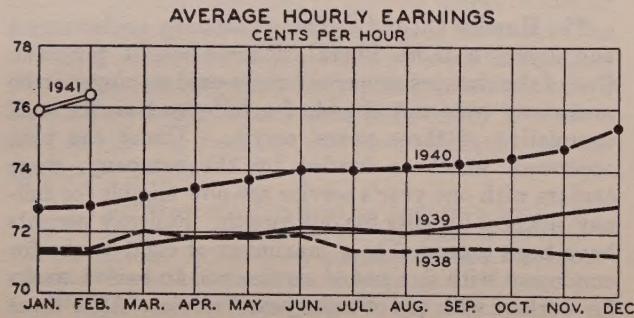
**The cost of living** rose slightly from 86.1 in February to 86.3 in March, as compared with 84.8 in March, 1940. The purchasing power of the dollar on the basis of the cost of living stood at \$1.159 in March, 1941, as compared with \$1.00 in 1923.

**Real weekly wages**, or the purchasing power of money wages, rose from 133.7 in January to 137.0 in February.

**The number of unemployed** persons in the United States, according to THE CONFERENCE BOARD's estimates, declined by 317,000 from January to February. The estimated total for February, 1941 was 7,356,000. This decrease has not assumed the proportions predicted for it for the near term.

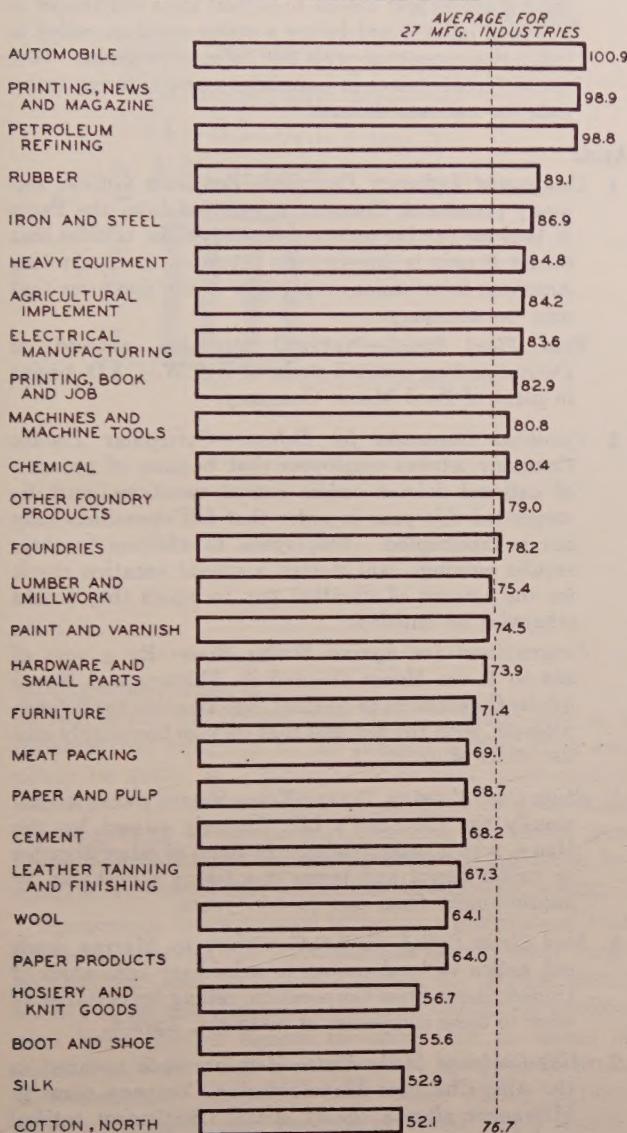
### LABOR TRENDS IN 25 MANUFACTURING INDUSTRIES AND THE COST OF LIVING

Source: THE CONFERENCE BOARD



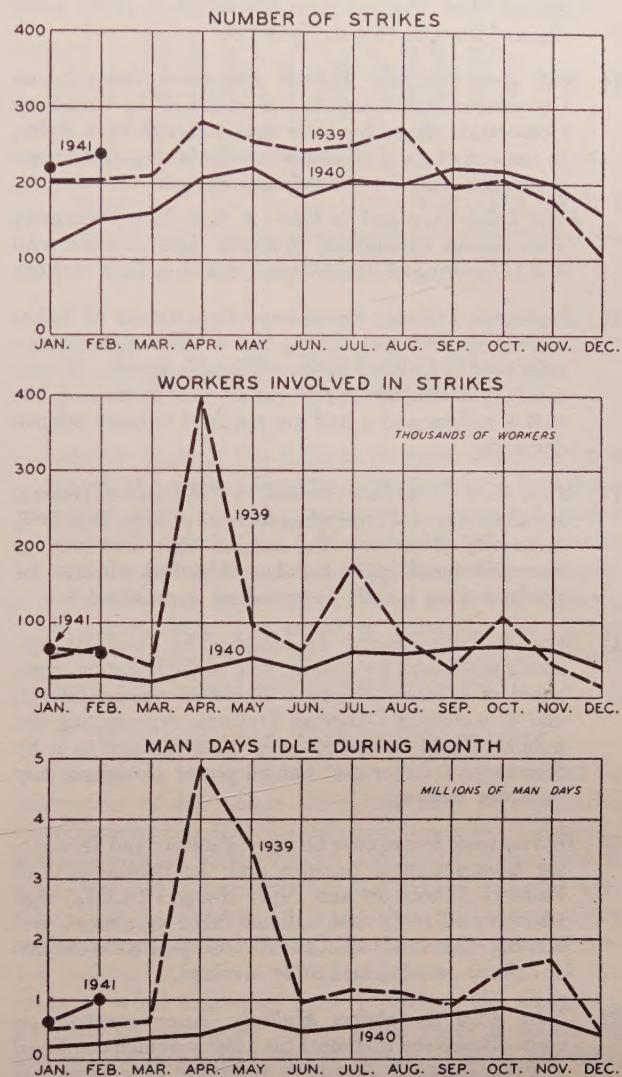
**AVERAGE HOURLY EARNINGS IN CENTS  
27 MANUFACTURING INDUSTRIES, FEBRUARY, 1941**

Source: THE CONFERENCE BOARD



**INDUSTRIAL DISPUTES**

Source: United States Bureau of Labor Statistics



**Personnel Administration Notes** *(Continued from page 49)*

**Life Insurance Protection for Pensioners**

The cost of providing life insurance protection to the pensioned employee over sixty-five is considerably higher than for the younger employee. The Employees' Relief and Beneficial Association of the Weirton Steel Company wished to provide insurance protection for these retired workers, but hesitated to do so because of the added cost it would entail upon the members of the association actively at work.

The problem was solved by the company's agreeing to contribute certain sums to the association yearly. These amounts are held in a special fund which is used to meet the extra cost to the association of continuing the life insurance coverage of members who retire at sixty-five. The retired workers will continue to pay the same premium on the group life insurance as active members. On the average, the premium paid by them, however, will cover less than 20% of the actual cost.

## March

13 *Bituminous Coal Negotiations Begin*—Bituminous coal operators of Appalachian region, in negotiation with United Mine Workers for a new contract, reject union demand for a \$1.00 a day pay rise.

14 *State Acts to Secure Defense Deliveries*—Pennsylvania Governor orders state police to a plant of the Vanadium Corporation closed for more than a month by a strike, to assist in removal of finished products considered absolutely necessary for the defense program.

*Farm Labor Organized in East*—A New Jersey company with various agricultural products signs contract with A.F.L. covering all its employees, including farm workers.

15 *Apprentice Training Increasing*—Department of Labor announces 20% gain during last 6 months in apprentices now in training in apprenticeship trades. It estimates that 125,000 apprentices are now in training but that a million and a half are required to meet defense demands.

17 *Much More Skilled Labor Needed*—OPM Director-General Knudsen warns of impending increase of more than 60% in activity of nation's vital war industries and calls for increased speed-up in training of skilled workers for production on a scale never before approached.

19 *Super-Mediation Board Appointed*—The President creates a new board for dealing with strike situation, composed of 4 employer and 4 employee representatives, and 3, including Chairman Dykstra, representing the public. Board can accept only cases certified to it by Secretary of Labor and has no power to enforce any decisions reached.

20 *International Union Bars Strikes*—Painting and Decorating Contractors of America and the Brotherhood of Painters, Decorators and Paper Hangers (A.F.L.) sign what is said to be first national labor agreement prohibiting strikes and lockouts on defense jobs. \$500,000,000 of defense projects said to be involved.

22 *Union Dues Complaints Multiply*—Army construction corps officials say that more than 500 workmen employed at Fort George G. Meade in Maryland have registered complaints against two labor unions which an Army officer estimated had collected \$400,000 in initiation dues as a requirement for employment.

24 *Strike Inquiry Act Adopted in New York*—Governor signs Ives Bill authorizing use of special boards of inquiry after mediation has been attempted and failed. These boards will be fact-finding agencies to discover the issues involved. Bill adopted over opposition of both A.F.L. and C.I.O.

*Over 1,000,000 Man Days Lost*—War Department estimates that over 1,000,000 man days of work have been lost to defense projects since January 1 as a result of strikes and jurisdictional disputes. Figures for January are 150,211; for February, 468,855; and for March 1 to 21, 440,722, indicating a rising trend.

## March

27 *85% of Voters for Strike Curb*—Gallup Poll indicates that 85% of persons interviewed would favor a law compelling employers and unions to submit their differences to a federal labor board before a strike could be called in industries connected with the defense program. 72% would forbid strikes in industries manufacturing materials for national defense.

## April

1 *Communist Influence Described*—Benjamin Gitlow, formerly prominent Communist expelled from the Party in 1929 for defying orders of Joseph Stalin, testifies that Soviet Russia is directing its attention to dominating American labor unions regardless of the measures that may be necessary.

*Ford Plant Struck*—National attention centered on Detroit as long awaited strike of U.A.W.-C.I.O. begins in plant of Ford Motor Company.

2 *Vacations Suspended for Defense*—Caterpillar Tractor Company advises employees that because of pressure of national defense orders annual vacations must be suspended this year in order that full operations may not be interrupted. Employees, in addition to their regular earnings, will receive a special vacation check for the amount of vacation pay to which they would otherwise be entitled.

*Congressional Ire Against Strikes Rises*—By a vote of 324 to 1, the House directed its Military and Naval Affairs Committees to conduct inquiries into the defense program, with the demand that they go thoroughly into the strike situation.

3 *Strike Curb Voted in Texas*—Texas Senate passes unanimously the Governor's bill, formerly passed by the House, which makes violence in times of labor disputes or strikes illegal and terms it a felony punishable by imprisonment from one to two years.

5 *Steel Strike Called*—S.W.O.C. Chairman Murray sends out notice to local unions in subsidiary companies of United States Steel Corporation, calling for cessation of work in these companies at midnight, April 8.

7 *Allis-Chalmers Strike Ends*—Regular work resumed in the Allis-Chalmers Manufacturing Company plant in Milwaukee after a 76-day strike. Settlement ratified both by union and management following conferences with National Defense Mediation Board.

*Steel Strike Deferred*—Strike in United States Steel plants called for April 8 deferred for week pending further negotiations. Meanwhile, National Steel Corporation announces 10¢ an hour wage increase affecting about 20,000 employees and effective April 1.

8 *Machinists Union Suspends Boeing Local*—International Association of Machinists (A.F.L.) suspends Boeing Aircraft Employees' Aeronautical Mechanics Union on the ground that the union is controlled and dominated by Communists and has resisted submitting itself to a trial body functioning according to the Lodge Constitution.